United Nations A/67/364–S/2012/701

General Assembly
Security Council

Distr.: General
12 September 2012

Original: English

General Assembly
Sixty-seventh session
Agenda items 36 and 37

The situation in the Middle East

Question of Palestine

Security Council
Sixty-seventh year

Peaceful settlement of the question of Palestine

Report of the Secretary-General

Summary

The present report is submitted in accordance with General Assembly resolution 66/17. It contains replies received from the parties concerned to the notes verbales sent by the Secretary-General pursuant to the request contained in paragraph 25 of the resolution. The report also contains the observations of the Secretary-General on the current state of the Israeli-Palestinian conflict and on international efforts to move the peace process forward with a view to achieving a peaceful settlement. The report covers the period from September 2011 to August 2012.

12-50724 (E) 021012

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 66/17.

2. On 1 July 2012, pursuant to the request contained in paragraph 25 of the above-mentioned resolution, I addressed the following letter to the President of the Security Council:

> "I have the honour to refer to resolution 66/17, which the General Assembly adopted on 30 November 2011, at its sixty-sixth session, under the agenda item 'Question of Palestine'.
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> "The General Assembly, in paragraph 25 of the resolution, requested the Secretary-General to continue his efforts with the parties concerned, and in consultation with the Security Council, towards the attainment of a peaceful settlement of the question of Palestine and the promotion of peace in the region and to submit to the Assembly at its sixty-seventh session a report on these efforts and on developments on this matter.
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> "In order to fulfil my reporting responsibilities under this resolution, I should be grateful if you would kindly convey to me the views of the Security Council by 31 July 2012.
>
> "Recalling the Secretariat's obligation to observe the page limit of its reports, pursuant to General Assembly resolution 52/214, I would like to encourage the Security Council to limit its submission to 1,500 words."

3. As at 12 September, no response had been received to that request.

4. In a note verbale dated 17 May 2012 to the parties concerned, I sought the positions of the Governments of Egypt, Israel, Jordan, Lebanon and the Syrian Arab Republic, as well as the Palestine Liberation Organization, regarding any steps taken by them to implement the relevant provisions of the resolution. As at 31 August, replies had been received from Egypt, Israel and the Palestine Liberation Organization. The note verbale dated 26 June 2012 from the Permanent Mission of Egypt to the United Nations reads as follows:

> "The main goal of Egypt is to support the two-State solution that has been internationally agreed upon and the establishment within the 4 June 1967 borders of an independent, sovereign Palestinian State, with East Jerusalem as its capital. Egypt therefore supported the Palestinian Authority's request for full membership in the United Nations, just as it supported the inclusion of Palestine in the United Nations Educational, Scientific and Cultural Organization. With regard to the peace process, Egypt has encouraged all efforts aimed at the resumption of the negotiations, the most recent of which were the exploratory negotiations that took place under Jordanian auspices, pursuant to a Quartet statement in September 2011, and to that end, applauded the points raised by President Abbas in his May 2012 letter to Prime Minister Netanyahu.
>
> "Egypt is endeavouring to find a strong Palestinian position that will help to revive peace efforts. To that end, Egypt, in February 2009, initiated an intensive and comprehensive dialogue aimed at ending the division between the West Bank and Gaza Strip that began on 16 June 2007. Those efforts were

rewarded in May 2011, when a Palestinian reconciliation agreement was signed by all the parties at the leadership level and it was agreed that a number of committees should be established in order to make reconciliation a reality. Furthermore, Egypt supported the Doha agreement of February 2012 and in June 2012 will host consultations on the formation of the new Palestinian Unity Government.

"In a related vein, in March 2012, Egypt announced that a comprehensive truce that included a moratorium on assassinations had been brokered between the Palestinian and Israeli sides as part of continuous Egyptian efforts to halt Israeli military operations against the Gaza Strip and end the escalation in violence between the two sides and the resultant impact on the region as a whole and on any movement towards establishing a genuine process of negotiation.

"In May 2012, as part of Egyptian efforts to reduce tension between the Palestinians and Israelis, Egypt was able to reach an agreement with the Israeli side that included a response to the legitimate demands of the Palestinian prisoners, the most important of which included the ending of solitary confinement, in which certain prisoners had been held for more than 10 years, the use of special prisons and permission for the families of prisoners in the West Bank and Gaza Strip to visit their relatives in Israeli prisons after having been refused permission for over five years to have any contact, whether by telephone or in person. Other demands related to prison routines and living conditions. In October 2011, Egypt oversaw the exchange of 1,027 prisoners for Gilad Shalit as part of the process of calming the situation and making it possible for both sides to reach greater mutual understanding."

5. The note verbale dated 17 July 2012 from the Permanent Mission of Israel to the United Nations reads as follows:

"Israel voted against this resolution, as it has done when similar resolutions were adopted by the General Assembly in the past. The Permanent Mission of Israel wishes to reiterate the considerations guiding this voting practice.

"Time and again, Israel has demonstrated that it is prepared to make painful compromises to secure lasting peace. Its hand remains extended to achieve the solution of two states for two peoples. The Palestinians should live in their own state alongside the Jewish State of Israel. The only way to achieve this is through bilateral negotiations.

"The Government of Israel has continuously called upon the Palestinians to return to the negotiating table, to no avail. Israel has fostered conditions for improvement in economic growth and development, cooperating with the Palestinian Authority in some 40 spheres of daily life. In response, the Palestinians have taken unilateral steps that are not constructive — and will not advance peace or compromise.

"Resolution 66/17 fails to mention the many incidents of Palestinian terrorism over the past year, which have placed the entire Israeli population under a constant spectre of violence. Terrorist attacks were carried out in all forms and by all means, particularly by Hamas.

"The 988 Palestinian terrorist attacks in 2011 resulted in the murder of 21 innocent men, women and children. These incidents included the murder of a 16-year-old school boy, when Hamas launched a Kornet laser-guided anti-tank missile at his yellow school bus; five members of the Fogel family, who were slaughtered by Palestinian terrorists as they slept — the victims included the parents, Ehud and Ruth, and three of their children, Yoav, 11, Elad, 4, and three-month-old Hadas; and eight civilians travelling on the roads in southern Israel, in a series of attacks by Palestinian terrorists in August.

"Some 680 rockets, mortars and Grad missiles were fired at southern Israel from Gaza in 2011. Since the beginning of 2012, the rocket fire has escalated. During the first six months of 2012, 477 high-trajectory rockets and mortars were launched into Israel. In June 2012 alone, 197 rockets and 21 mortar shells were launched into Israel, causing casualties and paralysing life for 1 million Israeli civilians.

"None of this is mentioned in resolution 66/17.

"Even in the face of continued terrorist activity, Israel has gone to great lengths to improve daily life for the Palestinian population, extending humanitarian assistance and working to spur economic growth. Israel has facilitated the entry of large quantities of humanitarian supplies and other products into Gaza and taken action to expand exports from the area. In 2011, Israel supplied 124 megawatts of electricity and worked with the United Nations Development Programme to increase the capacity of the Gaza power station by 200 megawatts. These changes helped to increase Gaza's gross domestic product in 2011 by 27 per cent.

"The Government of Israel has also authorized significant measures to ease security-related restrictions in the West Bank. In 2011, roadblocks were removed throughout Judea and Samaria. Today Palestinians have free flow of movement between all major cities in Judea and Samaria, from Jenin in the north to Hebron in the south. There was a 33 per cent increase in Palestinian trade across the Allenby Bridge in 2011.

"Yet, none of this is recognized in resolution 66/17.

"The Government of Israel continues to call on the Palestinians to return to the negotiating table, with no preconditions, to achieve lasting peace with two States living side by side, one Jewish and one Palestinian.

"This one-sided resolution undermines the peace process, placing another obstacle on the path towards renewing peace negotiations between Israel and the Palestinian Authority; consequently, Israel voted against the resolution."

6. The note verbale dated 3 August 2012 from the Permanent Observer of Palestine to the United Nations reads as follows:

"Palestine reaffirms that resolution 66/17 constitutes a central component of the international community's efforts to justly, peacefully and comprehensively resolve the question of Palestine on the basis of clear parameters rooted in international law and other relevant United Nations resolutions. Significantly, resolution 66/17 receives Member States' overwhelming support, reflecting the international consensus in support of the two-State solution of an independent, sovereign, democratic and contiguous

State of Palestine, living side by side with Israel in peace and security on the basis of the pre-1967 borders, with Jerusalem the shared capital of the two States, and a just solution for the Palestine refugees based on General Assembly resolution 194 (III) of 11 December 1948.

"Regrettably, however, the internationally endorsed parameters for a solution continue to be irrationally and recklessly rejected by Israel. Rather than adhering to the path of peace, the occupying Power continues to violate international law, including humanitarian and human rights law, and obstruct political efforts to resolve the conflict, causing incalculable suffering to our people, precluding the realization of peace and security in the region and inflaming successive crises, and burdening the rest of the global community, which continues to expend vast efforts and resources to resolve the conflict and alleviate its impact on innocent civilians. All of this makes it all the more imperative for the international community to remain firm in upholding the rule of law and its permanent responsibility towards the question of Palestine until a just solution is achieved in all aspects, and respectful of the international covenant arising from the General Assembly's decision to partition Mandate Palestine in its resolution 181 (II) of 29 November 1947, which led to the establishment of Israel in 1948 and the uprooting of the Palestinian people from their homeland in *Al-Nakba*, which has lasted for over 64 years now, throughout which they have endured exile, dispossession and constant oppression and denial of their rights, including to return and self-determination.

"The international community's inability to hold Israel accountable, in line with resolution 66/17 and other relevant resolutions and legal obligations, has fuelled Israeli impunity, further complicating the resolution of core final status issues — Palestine refugees, Jerusalem, settlements, borders, security and water, and prolonging the conflict. In particular, the Security Council's paralysis and failure to address Israel's deliberate, illegal settlement campaign, the major obstacle to peace, has only further emboldened the occupying Power. Thus, Israel continues to carry out its illegal, expansionist agenda in the occupied Palestinian territory, including East Jerusalem, causing immense suffering to our people; impairing the contiguity, integrity, unity and viability of the State of Palestine; jeopardizing the prospects for physically achieving the two-State solution on the basis of the pre-1967 borders; and prompting searches for alternative solutions.

"This destructive Israeli agenda has been manifested, inter alia, in the following policies and practices, constituting serious violations and grave breaches of Israel's legal obligations under the Fourth Geneva Convention, Security Council and General Assembly resolutions, international human rights covenants, and the Quartet road map: military attacks by the occupying forces against civilian areas in the Gaza Strip, as well as military raids in villages, towns and cities in the West Bank, causing death and injury to Palestinian civilians, including children, and destruction of civilian property; the illegal settlement campaign, especially in and around occupied East Jerusalem and the Jordan Valley, including vast construction of settlements, so-called settlement 'outposts' and the Wall, with thousands more settlement units constructed and planned in the past year; confiscation of Palestinian land; demolition of homes and civilian infrastructure; evictions and revocation of

Palestinian residency rights; imposition of a permit regime and hundreds of checkpoints; other illegal measures aimed at de facto annexation of Palestinian land and displacement of Palestinian civilians; acts of terror and destruction by extremist Israeli settlers against Palestinian civilians and properties, including homes, agricultural lands, mosques and churches, perpetrated with the support of the Government of Israel, which continues to transfer settlers to the occupied Palestinian territory, protect them, permit their lawlessness and promote their joint colonial agenda; imposition of the illegal blockade on the Gaza Strip for more than five years, in gross collective punishment of the entire Palestinian civilian population and by which reconstruction in Gaza, including by the United Nations, continues to be obstructed and critical humanitarian and socioeconomic conditions are being exacerbated; the arrest, imprisonment and detention of thousands of Palestinian civilians, including children, who continue to be subjected to all forms of physical and psychological abuse and deplorable conditions of captivity. Prolonged hunger strikes in the recent period by Palestinian prisoners and detainees have reached crisis proportions, underscoring in particular the plight of those held by the occupying Power under administrative detention without charge and due process of law.

"In addition to the severe hardship inflicted on the Palestinian people, Israel's illegal policies have deepened the political deadlock, making the resumption of a credible, successful peace process seem more remote than ever. Israel continues colonization over peace, entrenching its settlements and control over the Palestinian land, rather than acting to bring an end to, or 'roll back', the occupation in all its manifestations and coming to the peace table in good faith. The situation is unsustainable and volatile. The urgency of achieving peace is even more crucial in the context of the dramatic developments in the region, which highlight the universal aspirations of all people for freedom, justice, democracy and human rights.

"Significantly, despite the deterioration of the situation on the ground and in the political environment and the vast asymmetry between the occupying Power and the occupied people, the Palestinian leadership, under the stewardship of President Mahmoud Abbas and Prime Minister Salam Fayyad, has remained fully committed to the path of peace and the historic compromise embodied in the 1988 Declaration of Independence of the State of Palestine, affirming acceptance of the two-State solution based on the pre-1967 borders. Moreover, we maintain our conviction in the international will and resolve to promote a solution that will ensure justice and achieve a complete end to the Israeli occupation that began in 1967, the independence of the State of Palestine and the rights of the Palestinian people.

"Palestine's efforts to achieve the legitimate national aspirations of its people and make peace have been firmly guided by international law, the resolutions of the General Assembly, the Security Council, the Human Rights Council and the Economic and Social Council and the advisory opinion of the International Court of Justice of 9 July 2004. Our leadership also remains committed to agreements reached between the Palestine Liberation Organization and Israel, the occupying Power, throughout the peace process. All of our efforts have focused on consecrating the two-State solution, in accordance with the terms of reference of the Middle East peace process,

namely relevant United Nations resolutions, including Security Council resolutions 242 (1967), 338 (1973), 1397 (2002), 1515 (2003) and 1850 (2008), the Madrid terms of references, including land for peace, the Arab Peace Initiative and the Quartet road map.

"Over the past year, the Palestinian leadership has acted in full conformity with resolution 66/17 and the parameters above. Thus, on 23 September 2011, President Mahmoud Abbas submitted the application of the State of Palestine for admission to membership in the United Nations, consistent with the right to self-determination and countless resolutions, from resolution 181 (II), adopted in 1947, to present-day resolutions. On that same day, President Abbas formally addressed the General Assembly, reaffirming our commitment to peace, the two-State solution and negotiations to resolve final status issues. He stressed, however, that the inalienable right of our people to self-determination was not a matter for negotiation.

"While this historic step was welcomed throughout the international community, and Palestine's application was conveyed by the Secretary-General to the Security Council for its consideration and hoped-for recommendation, the lack of consensus within the Council, including the expressed negative position of a permanent member, has obstructed progress, despite the strong support expressed for the application and for a positive recommendation to the General Assembly by many Council members, as reflected in the deliberations of the Admissions Committee throughout October and November 2011. Palestine thus continues its appeals to the members of the Security Council to uphold the Council's legal responsibilities vis-à-vis the question of Palestine and to do justice by the Palestinian people.

"Simultaneously, the Palestinian leadership continues to appeal, bilaterally and multilaterally, for recognition of the State of Palestine, convinced that Palestine's recognition and rightful inclusion among the community of nations, including at the General Assembly, will constitute a major step towards securing freedom, dignity and peace for the Palestinian people. At the time of writing of the present note, 132 countries have recognized the State of Palestine, on the basis of our people's right to self-determination under the Charter and human rights covenants, the international covenant to Palestine enshrined in resolution 181 (II), and the global consensus on the two-State solution. Here, we recall with pride the admission of Palestine as a member State of the United Nations Educational, Scientific and Cultural Organization on 31 October 2011 and reaffirm our deep gratitude to all Member States that supported this historic decision.

"The Palestinian leadership has also continued its efforts to develop Palestinian national and civic institutions based on its 2009-2011 plans, entitled 'Palestine: ending the occupation, establishing the State' and 'Home stretch to freedom', to ensure a stable, viable foundation for our State and to serve our people and ease their hardships while still under occupation. This initiative has been fully supported by the international community, and progress has been well documented, including by the Ad Hoc Liaison Committee for the Coordination of the International Assistance to Palestinians, the World Bank and the United Nations, although it is being threatened by

Israel's illegal, obstructive measures and the financial crisis faced by the Palestinian National Authority.

"The Palestinian leadership also continues its efforts to achieve internal reconciliation and end the five-year division among our political factions, as demanded by our people and in line with Security Council resolution 1860 (2009), Quartet statements, and widespread calls for unity, including, inter alia, by the League of Arab States, the European Union, the Non-Aligned Movement, the Organization of Islamic Cooperation and the African Union. We continue to seek ways to implement the reconciliation agreement signed in Cairo on 4 May 2011 and the declaration signed in Doha on 5 February 2012, and to appeal to the international community to respect and support Palestinian reconciliation. We express appreciation for the principled position of the Secretary-General and the United Nations, including the United Nations Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestine Authority, in this regard.

"These internal tasks, however, have not distracted the Palestinian leadership from the overall objective of achieving a just peace and achieving the rights of our people, including to independence and to return to live at peace with their neighbours. We have never ceased cooperating with international and regional efforts to resume a substantive dialogue and negotiations based on clear parameters within a specified time frame, including efforts by the Quartet, the Arab ministerial follow-up committee and other concerned Member States. We reiterate in this regard that there is no contradiction between resumption of negotiations and efforts for recognition of Palestine and its membership in the United Nations, as the two-State solution enjoys global consensus and the aim of both processes is the independence of the State of Palestine and the achievement of a just, lasting peace between Palestine and Israel.

"Thus, following the submission of Palestine's application and the issuance of the Quartet's statement of 23 September 2011, the Palestinian leadership acted responsibly. It constructively received the Quartet statement and accepted the framework therein, on the understanding that negotiations would commence on the basis of the 4 June 1967 borders and that Israel was expected to meet its legal obligations, including under the Quartet road map, to stop all settlement activities in the occupied Palestinian territory, including East Jerusalem. On that understanding, and respectful of the efforts of the Hashemite Kingdom of Jordan, the Palestinian leadership agreed to partake in the 'exploratory talks' held over the course of three weeks in January 2012.

"Our participation in these talks underscored again our commitment to negotiations as the main vehicle for achieving a peaceful solution. The leadership stressed that its participation was aimed at achieving a substantive understanding on the way forward, necessitating a reaffirmation of Israel's commitment to the two-State solution and the parameters of the peace process. Regrettably, the talks failed as Israel refused to adhere to those parameters and persisted with its grave violations and provocations, including its theft and colonization of Palestinian land. This totally undermined the purpose of the talks and obstructed the revival of the political process. We reaffirm that it is

not possible for the Palestinian leadership to continue 'talks for the sake of talks', while Israel continues to act in a manner destroying the process and its objectives.

"While committed to peace negotiations, the Palestinian leadership stresses that the situation on the ground and the two-State solution are too fragile to withstand such sabotage and further delays and, instead, require immediate, collective and practical measures to persuade Israel to cease all of its illegal practices in the occupied Palestinian territory, including East Jerusalem, and to abide by international law, United Nations resolutions and the Quartet road map. The responsibilities of the United Nations in this regard are clear, and Palestine will continue to work in the United Nations system to ensure that the law is implemented and that the rights of the Palestinian people are safeguarded until the day that they are fully realized. Moreover, we reiterate our belief that efforts at the United Nations, the centre of multilateral activity in our world, can and must contribute towards peace and will not obstruct its realization.

"The Palestinian leadership is determined to bring an end to the injustice endured by our people, including the grave injustice inflicted on our refugees. We are determined to achieve the independence of the State of Palestine, with East Jerusalem as its capital, based on the pre-1967 borders, living side by side with Israel in peace and security. We are grateful for and continue to call for the support of all concerned States and peoples from around the world, and urge that no effort be spared to make this a reality. This clearly requires that the Security Council uphold its duties under the Charter and implement its resolutions and that the General Assembly also act to implement its resolutions on the question of Palestine, including resolution 66/17, to responsibly contribute to the realization of a just, lasting and comprehensive peace settlement."

II. Observations

7. Efforts to achieve the peaceful settlement of the question of Palestine resulted in little progress during the reporting period, and confidence between the parties and in the political process continued to erode. Despite efforts by the United Nations, the Quartet and individual Member States to provide facilitation, negotiations remained at an impasse. At the heart of the unwillingness of the parties to engage in direct talks was a lack of trust and disagreement over the conditions that would allow them to do so. The Palestinians also submitted an application for membership in the United Nations and acquired membership in the United Nations Educational, Scientific and Cultural Organization (UNESCO).

8. The situation on the ground remained challenging, in particular for the population living under closure in Gaza, while Israel continued to face the threat of rocket fire. In the West Bank, tensions persisted, while settlement activity continued to accelerate. Altogether, the situation on the ground presented a growing cause for concern over the viability of the two-State solution. At the same time, the Palestinians continued to implement an ambitious State-building programme. They also briefly resumed their efforts towards reuniting the West Bank and Gaza, albeit with limited success at reconciliation.

9. On 23 September, the Quartet issued a statement that called for the resumption of direct bilateral Israeli-Palestinian negotiations. To that end, the Quartet outlined steps to help build the trust needed for the parties to return to the negotiating table. Specifically, a preparatory meeting was called within a month for the parties to agree on an agenda and a method of proceeding. The Quartet made clear its expectation that the parties would come forward with comprehensive proposals on territory and security within three months of resumed negotiations and that the goal was to make substantial progress within six months and reach an agreement by the end of 2012. The Quartet also stressed the need for the parties to refrain from provocations and reminded them of their obligations under the road map.

10. Within the framework of the Quartet statement of 23 September, Quartet envoys and the Quartet Representative, Tony Blair, met on three occasions in Jerusalem with Israeli and Palestinian representatives, on 26 October, 14 November and 14 December. Quartet envoys stressed the importance of a direct exchange between the parties without delay or preconditions, beginning with a preparatory meeting and leading to the presentation of comprehensive proposals on territory and security. Envoys called upon the parties to create an environment conducive to restarting talks and urged both to refrain from provocative actions.

11. After 15 months of absence of direct talks, Israeli and Palestinian negotiators embarked on a series of meetings on 3 January 2012 in Amman under the auspices of King Abdullah II of Jordan and the Minister for Foreign Affairs, Nasser Judeh. The parties began discussing important issues related to territory and security, in accordance with the Quartet statement of 23 September. They also discussed ways to build confidence and create a positive environment for the talks to lead to substantive negotiations. Following that first meeting, a series of direct preparatory talks were held under Jordanian auspices until 25 January. During my visit to Israel and the occupied Palestinian territory on 1 and 2 February, I expressed my appreciation to King Abdullah for his initiative and commended the Palestinian and Israeli leaders on these important first steps, urging the parties to build on them to launch meaningful negotiations to reach an agreement by the end of 2012. However, while quiet meetings between the negotiators have continued to date, they have yet to lead to the renewal of direct negotiations.

12. During the meeting of the Arab Peace Initiative follow-up committee on 12 February and of the Palestine Liberation Organization Central Committee on 20 February, the Palestinians reiterated their position that direct talks should not resume unless all settlement activity was halted, Israel committed to a two-State solution based on the 1967 lines and Palestinian prisoners in Israeli jails were released. Meanwhile, Prime Minister Netanyahu continued to insist that Israel wanted to continue the talks, but without preconditions.

13. The Quartet met in New York on 12 March and again in Washington, D.C., on 11 April to reflect on those developments and forge a way forward that would build on the Quartet statement of 23 September. Quartet principals heard from Mr. Judeh on ongoing Jordanian efforts to promote exploratory talks. After a pause, negotiators met again in Amman in early April and agreed to an exchange of letters outlining their positions. As agreed by the parties, on 17 April a letter from President Abbas was delivered to Prime Minister Netanyahu, who responded on 12 May. The exchange was kept confidential and led to quiet direct engagement. Quartet envoys

continued to work with the parties to encourage them to step up direct contacts and refrain from counterproductive actions.

14. A number of high-level visits also took place to encourage the parties to resume talks. King Abdullah visited Ramallah on 21 November 2011. The High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, visited Israel and the occupied Palestinian territory from 24 to 26 January. On 25 and 26 June, the President of the Russian Federation, Vladimir Putin, held meetings in Israel and with President Abbas in Bethlehem. In Paris on 6 July, President Abbas met with the United States Secretary of State, Hillary Clinton, the President of France, François Hollande, Ms. Ashton, and the Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom, William Hague. Ms. Clinton later visited Israel on 16 and 17 July.

15. At the same time, the Arab follow-up committee held consultations in Doha on 22 July, in which it supported a Palestinian approach to the United Nations to seek further recognition without specifying a timeline. Arab League representatives asked the committee to prepare the appeal and report back at the next meeting in Cairo, on 6 September.

16. In parallel to these developments in the peace process, the Palestinians initiated a number of actions in United Nations forums. On 23 September 2011, during the general debate of the General Assembly, President Abbas submitted an application for membership for a State of Palestine in the United Nations. In accordance with the Charter and the rules of procedure of the Assembly, I transmitted the application to the President of the Security Council on the same day and sent a copy to the President of the Assembly. The report of the Committee on the Admission of New Members of 11 November (S/2011/705) stated that the Committee was unable to make a unanimous recommendation to the Security Council. The issue remains before the Council.

17. On 31 October 2011, the UNESCO General Conference voted in favour of Palestinian membership. The decision was the prerogative of member States. I indicated that I wished to work with member States on practical solutions to preserve the financial resources of UNESCO. I also urged all parties to approach this issue wisely in determining a course of action. Following the vote, the Government of Israel temporarily froze the transfer of tax and customs revenues that it was collecting on behalf of the Palestinian National Authority, which represented two thirds of the Authority's annual revenues. Transfers resumed on 30 November.

18. Against this backdrop, the Palestinians continued to advance their State-building programme, albeit limited to the territory under the control of the Palestinian National Authority, which excluded Area C, East Jerusalem and Gaza. This formed an essential complement to the political process. A strong international consensus emerged that the Authority was capable of running a State. The Ad Hoc Liaison Committee for the Coordination of the International Assistance to Palestinians, at its meetings on 18 September 2011 in New York and on 21 March 2012 in Brussels, confirmed the assessments contained in reports of the World Bank and the International Monetary Fund, which had concluded that the Government functions of Palestine were now sufficient for the functioning of a State. However, the World Bank report of April 2012 also indicated that, while the Palestinian Authority had had considerable success in building the institutions of a future State, it had made less progress in developing a sustainable economic base, particularly in

terms of private sector development. In addition, political and financial pressure on the Authority continued to grow throughout the reporting period, placing its sustainability increasingly at risk.

19. Palestinians also made renewed attempts to advance on the issue of reconciliation. Bearing in mind Security Council resolutions 1850 (2008) and 1860 (2009), I continued to support efforts to advance Palestinian unity within the framework of the commitments of the Palestine Liberation Organization (PLO), the positions of the Quartet and the Arab Peace Initiative. Reconciliation on this basis and Israeli-Palestinian peace talks need not be mutually exclusive, and a united Palestinian polity is necessary for the viability of the two-State solution. I have welcomed the efforts made to this effect, notably by Egypt.

20. On 5 February 2012 in Doha, President Abbas and Hamas leader Khaled Meshal agreed to form a transitional government of technocrats to be headed by President Abbas as Prime Minister. President Abbas emphasized that that government would adhere to his political programme and to all previous PLO commitments. However, opposition to the agreement within Hamas in Gaza prevented concrete results until 20 May, when a new formula for progress on reconciliation was achieved with the assistance of Egyptian mediation. Under the agreement, Fatah and Hamas delegations met in Cairo on 6, 7 and 15 June to discuss the way forward. As a first step in the organization of general elections, the Palestinian Central Election Commission resumed operations in Gaza on 28 May with full cooperation from the de facto authorities and initiated plans to register voters in Gaza between 3 and 14 July. However, voter registration was suspended by Hamas on 2 July, and on 10 July the Palestinian Authority called for municipal elections to be organized in the West Bank only on 20 October 2012. Palestinian reconciliation has since been stalled.

21. At the same time, significant political changes occurred in Israel. On 8 May 2012, Prime Minister Netanyahu formed a new governing coalition with the opposition Kadima party. The new coalition represented one of the largest majorities in the history of the Knesset, holding 94 of its 120 seats. It also generated some hope that Prime Minister Netanyahu would, as was provided for in the new coalition agreement, have greater political space to pursue a "responsible peace process". The coalition lasted 70 days, until 17 July, when the Deputy Prime Minister and Kadima Chairman, Shaul Mofaz, announced that his party was leaving the governing coalition following disagreements over a draft law seeking to mandate military service for a portion of the ultra-orthodox community.

22. Throughout the reporting period, developments on the ground continued to damage confidence and made the resumption of direct negotiations very difficult. Settlements, including in East Jerusalem, expanded and violence continued, with clashes between Palestinians and the Israel Defense Forces, between Palestinians and settlers and between settlers and the Israeli forces. A number of other sensitive issues likewise fuelled tensions, such as the issue of Palestinian prisoners in Israeli custody, protests and the closure of Gaza.

23. The situation in occupied East Jerusalem remained tense. The question of Jerusalem is a final status issue that requires a negotiated solution. I have consistently emphasized that a way must be found for the city to emerge, through negotiations, as the capital of two States, Israel and Palestine, with arrangements for holy sites acceptable to all. It is equally important that political and religious

authorities on both sides continue to ensure that the cultural and religious rights of all are duly respected.

24. Several times, I expressed my deep concern at continued efforts to advance planning for new Israeli settlements in occupied East Jerusalem. For example, on 27 September 2011, the Government of Israel announced the construction of 1,100 housing units in East Jerusalem settlements. In November, Israel publicized its intention to invite tenders for the construction of 1,557 new units in East Jerusalem. I have reiterated that all settlement activity in the occupied Palestinian territory, including East Jerusalem, whether on private land or elsewhere, is contrary to international law and to the obligations of Israel under the Quartet road map. It prejudices final status negotiations, makes the two-State solution all the more difficult to achieve and must stop.

25. The expansion of settlements, which undermines the territorial basis for a future Palestinian State and the credibility of Palestinian moderates, is of particular concern. During the reporting period, the Government of Israel approved tenders for the construction of approximately 2,700 residential units in settlements in the West Bank, including East Jerusalem, and retroactively legalized others. Moreover, the Israeli authorities did not act effectively against the construction of illegal outposts on private Palestinian land. On 12 December, the Government of Israel approved the construction of 40 houses and a farm near the settlement of Efrat, near Bethlehem, and on 17 December the Government of Israel announced its intention to issue construction tenders for 1,028 housing units in the settlements of Har Homa, Beitar Illit and Givat Ze'ev. Construction in such sensitive areas is especially concerning, as it impedes the natural development of Palestinian urban centres.

26. On 22 March, among other decisions, the Human Rights Council decided to dispatch a fact-finding mission to examine the impact of Israeli settlements on Palestinian human rights. Israel is highly critical of the Council's action and has suspended its cooperation with the Council.

27. Settler violence increased throughout the year. It is deeply troubling that attacks by settlers on Palestinians and their property have become a systematic occurrence — often but not exclusively in the context of anticipated Government action against illegal settlement construction. Settler attacks on Palestinians and their properties resulted in injuries to 167 Palestinians, including 26 children, during the reporting period. Israeli extremists also attacked personnel of the Israel Defense Forces in the West Bank.

28. Area C remains critical to the viability of a future Palestinian State. We must ensure a broadening of community-driven planning in Area C, as well as the provision of basic services, including in education and health. The United Nations is already engaged on these issues at both the policy and programming levels. Moreover, Israel should give due consideration to the transfer of land in Area C to the Palestinian Authority, particularly in areas surrounding major urban centres, to facilitate more suitable urban development and relieve the acute pressure on the land and housing market.

29. The demolitions and evictions that took place in Area C during the reporting period are of particular concern and were condemned by the international community. Palestinians require access to a fair planning and zoning regime so as not to resort to the building of unauthorized structures that lead to unjustified

demolitions, which often affect the most vulnerable people. Demolitions have led to the displacement of some 586 individuals, including 246 children, in the West Bank and East Jerusalem during the reporting period. Overall, more needs to be done to ease access and movement throughout the West Bank, including Area C, the Jordan Valley and Gaza. In a comprehensive closure survey completed at the end of June, the Office for the Coordination of Humanitarian Affairs documented 542 obstacles blocking Palestinian movement within the West Bank, including 61 permanently staffed checkpoints (excluding checkpoints on the Green Line), 25 partial checkpoints (staffed on an ad hoc basis) and 436 unstaffed physical obstacles, such as roadblocks, earth mounds and trenches.

30. During my visit to Gaza on 2 February 2012, I was struck once again by the fragility and unsustainable nature of the situation. I called upon Israel to implement further measures to lift the closure of Gaza and allow the unrestricted import of key building materials. I also continue to call for the free movement of people into and out of Gaza and the full reopening of all official land crossings, as well as the expansion of their capacity. These changes could be applied with due consideration for the legitimate security concerns of Israel and could make a significant difference in the lives of many Gazans; they would also reduce the illicit tunnel trade. Indiscriminate rocket fire must also stop, and Israel must show maximum restraint.

31. The full implementation of Security Council resolution 1860 (2009) and the recovery and long-term economic growth of Gaza remain fundamental objectives of the United Nations. Some significant progress was made towards this goal, but much more needs to be done. A total of $350 million worth of United Nations reconstruction work in Gaza was approved by the Government of Israel during the reporting period. This has had a positive effect for those receiving services as well as on short-term employment. However, the economic benefits of increased employment will end with the conclusion of these works. Deeper and more fundamental change is therefore required to enable a functioning Gazan economy, beginning with authorizing exports to Israel and other countries, as well as transfers to and from the West Bank. Without this essential step, the future of Gaza will remain tenuous at best.

32. There are growing funding challenges for United Nations operations. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), for example, requires an additional $50 million to meet the shortfall in its core budget, which, if not bridged, may lead to the suspension of the Agency's essential services, in particular its ability to operate schools and health clinics and provide poverty relief. In addition to the $50 million required to keep the Agency operational, UNRWA launched an emergency appeal for the occupied Palestinian territory in order to respond to emergency needs in 2012. This appeal currently falls short by $173 million, including $7.5 million urgently needed to meet food procurement distribution in Gaza for the remainder of 2012. This funding shortfall has already resulted in the reduction of key poverty alleviation interventions and the cancellation of the UNRWA "Summer Games" for the children of Gaza and, if not addressed, will result in further cuts to humanitarian services provided by UNRWA under the Emergency Appeal across the occupied Palestinian territory.

33. I urge donors to continue to fund United Nations reconstruction work in Gaza through the Palestinian Authority/United Nations Trust Fund. I also urge the Government of Israel to continue to grant approvals for outstanding United Nations

reconstruction work in the Gaza Strip and emphasize once more that there should be a broader opening for the entry of all construction materials into Gaza.

34. Preserving calm in Gaza and southern Israel continues to be crucial for improvements there and for the overall political atmosphere. The fragility of the relative calm was once again demonstrated on a number of occasions throughout the reporting period by dangerous escalations taking place on 29 and 31 October, from 9 to 13 March and on 17 and 18 June. During the reporting period, 751 rockets were fired from Gaza, including 138 Grad rockets, as well as 177 mortar shells. Many rockets directed at populated areas in Israel were intercepted by the Iron Dome system. Israel Defense Forces conducted 57 incursions and 174 air strikes into Gaza, resulting in the deaths of dozens of Palestinians, including some 16 civilians. More than 225 Palestinian civilians were injured, including 3 children. A total of 59 militants were killed, and 79 were injured. One Israeli soldier and one Israeli civilian were killed, and 27 Israelis were injured. Again, I unequivocally condemn these indiscriminate rocket attacks from Gaza into Israel and call for their complete cessation. I also urge Israel to show maximum restraint. All should fully observe their obligations regarding the protection of civilians.

35. A final area of concern is the Sinai peninsula, where there have been a growing number of incidents. In February, Egyptian security forces seized a number of anti-aircraft missiles and explosives, which were being readied for transfer to the Gaza Strip. Soldiers of the Israel Defense Forces removed explosive devices on the Israeli-Egypt border and intercepted suspected smugglers. I reiterate that weapons transfers into Gaza must stop. In addition, on 16 June two rockets were shot from the Sinai into south Israel, and on 18 June at least three militants attacked Israeli workers constructing the security fence at the border. One Israeli worker was killed and two were injured, prompting the above-mentioned escalation in violence on 17 and 18 June. On 5 August, a militant attack on an Egyptian security post near Kerem Shalom killed 16 Egyptian border guards. The attackers subsequently breached the Israeli border before being intercepted. I strongly condemned this terror attack. On 15 August, one Grad missile fired from the Sinai landed near Eilat in southern Israel.

36. On 18 October, Israel and Hamas implemented the first stage of a prisoner exchange agreement. Israeli Sergeant Gilad Shalit, held in Gaza without international access since 25 June 2006, was released by Hamas. In exchange, 1,028 Palestinian prisoners — many of whom had been imprisoned for involvement in attacks on Israelis — were released, mostly to Gaza, but also to the West Bank, including East Jerusalem, the occupied Syrian Golan and Israel. Having long called for the end of the unacceptable captivity of Gilad Shalit and for the release of Palestinian prisoners, I welcomed the releases as a significant humanitarian breakthrough.

37. The hunger strike by more than 1,500 Palestinian prisoners in Israeli custody, which started on 17 April to protest prison conditions and the application of administrative detentions, ended on 14 May with an agreement to address prisoners' concerns. I was pleased that Israel had taken steps to implement this agreement with respect to the use of solitary confinement, family visits and the practice of administrative detention. Israel also delivered the remains of 91 Palestinians buried in Israeli-controlled areas. Despite the agreement that ended the hunger strike, and amid reports that some additional Palestinians have been put in administrative

detention, a small number of prisoners are reported not to have ended their hunger strikes. I would like to state my concern for their well-being.

38. There are more than 300 Palestinians being held under administrative detention. Administrative detention should be used only in the most limited number of cases, for as short a period as possible, and in exceptional cases. Those detained must be charged and brought to trial or released without delay.

39. In the West Bank, both the Palestinian application for membership in the United Nations and the prisoner release in October prompted significant public demonstrations but few acts of violence, thanks to the efforts of the Palestinian Authority police. However, it was disappointing that the language used by Hamas regarding the prisoner release lauded violent resistance. Demonstrations against the barrier in the occupied West Bank continued on a regular basis, as the barrier's route continued to deviate significantly from the 1967 Green Line in contravention of the 2004 advisory opinion of the International Court of Justice. The barrier restricted Palestinian access to East Jerusalem, key social services and agricultural land. Protests against the barrier by Palestinian, Israeli and foreign activists largely remained peaceful. The Board of the United Nations Register of Damage Caused by the Construction of the Wall in the Occupied Palestinian Territory submitted a progress report on 8 June 2012.

40. Tensions and violent incidents continued throughout the reporting period. Citing security reasons, the Israel Defense Forces conducted 1,092 operations in the West Bank, during which 718 Palestinians were injured, including 88 children, and 2,062 Palestinians were arrested. More than 53 personnel of the Israeli forces were injured by Palestinians. On 10 December, a Palestinian protesting the takeover of privately owned land by Israeli settlers died from wounds sustained in Nabi Saleh when an Israeli soldier fired a tear gas canister at close range from the armoured vehicle at which the protester had been throwing stones. A total of 61 Palestinians and 3 Israeli soldiers were injured during similar protests, and an investigation was launched by the Israeli authorities. I stress that the right to peaceful protest must be upheld and that protests should be kept strictly non-violent.

41. On 30 March, on the occasion of Land Day, large demonstrations were held in the West Bank, including East Jerusalem, as well as in Gaza, Jordan, Lebanon and, to a smaller extent, in Egypt and the Syrian Arab Republic. Clashes between demonstrators and the Israel Defense Forces resulted in 1 Palestinian killed and some 180 wounded. The Israeli forces used crowd control measures aimed at minimizing the number of casualties. Palestinian security forces in the West Bank and Gaza also took critical measures to avoid bloodshed.

42. During the reporting period, a total of 78 Palestinians were killed, including 54 militants, while 2,849 Palestinians, including 247 children, were injured; 2 Israelis were killed, including 1 civilian; and 43 personnel of the Israeli forces and 39 Israeli civilians were injured, illustrating the continuing cost of the ongoing conflict.

43. Despite these challenges, the efforts to build robust state institutions and revive the Palestinian economy have brought real security and economic improvements. The Palestinian Authority also continued to make praiseworthy efforts to maintain law and order in areas under its control and strengthen its security capacity. In November, an eighth battalion of internationally trained Palestinian security forces was deployed, bringing their total number to more than 4,000. In a positive gesture, 51 alleged militants being held in protective custody by the Palestinian police in the West Bank

were granted amnesty by Israel on 4 November 2011. On 10 February 2012, for the first time in 15 years, Palestinian National Security Forces, in coordination with Israel, enforced law and order in the H-2 area of Hebron, which is under full Israeli control.

44. I commend President Abbas and Prime Minister Fayyad for this achievement. At the same time, I am concerned by reports of arbitrary detention being carried out by Palestinian security forces and reports of ill treatment in detention centres in Gaza. Moreover, in April and May, the de facto authorities in Gaza carried out five executions without the approval of President Abbas, which is required by Palestinian Basic Law. I would urge the Palestinian Authority to ensure that it fulfils its responsibilities with full respect for international human rights laws.

45. The Palestinian Authority has achieved what it set out to do two years ago, and this must be noted, preserved and built upon. However, I am now concerned about the ability of the Palestinian Authority to maintain these gains in the light of its increasingly dire financial situation.

46. At the start of July, the Palestinian Finance Minister announced that the Palestinian Authority could not pay all June salaries to its 150,000 employees on time. Israeli authorities transferred half of the monthly value added tax collection to the Palestinian Authority two weeks early in order to assist with the payment of salaries ahead of the holy month of Ramadan.

47. I continue to call upon donors to provide timely assistance to sustain this agenda. Donor support for the Palestinian Authority was insufficient during the reporting period, affecting the Authority's ability to meet its financial obligations, including the payment of salaries. I also strongly encouraged the Government of Israel to take all measures necessary to facilitate growth, including further easing of access and movement within, into and out of the West Bank for both goods and people. On 17 July 2012, Israel approved 5,000 permits for Palestinian construction workers to work in Israel, in addition to the 34,250 permits already issued for Palestinian workers to work there. In a noteworthy achievement, after lengthy discussions between the Palestinian Authority and the Ministry of Finance of Israel, arrangements with respect to the transfer of goods between Israel and the Palestinian Authority and related tax procedures that would take effect on 1 January 2013 were concluded on 31 July. These initiatives are welcome. Yet, more needs to be done to ease access and movement and enable economic growth throughout the occupied Palestinian territory, including Area C and Gaza.

48. I would like to express my deep thanks and appreciation to the Special Coordinator for the Middle East Peace Process, Robert H. Serry, as well as to the Commissioner-General of UNRWA, Filippo Grandi. I also pay tribute to all United Nations staff who work under difficult and at times dangerous circumstances in the service of the United Nations.

49. Peace and Palestinian statehood are long overdue. I am acutely conscious of the unsustainable status quo, which is thrown into sharper relief by the profound political changes in the region. More than 45 years since the beginning of the occupation, the keeping of a large population in profound poverty is in nobody's interest except that of the most extreme radicals in the region. I remain convinced that direct and meaningful negotiations are the main avenue towards a comprehensive, fair and lasting solution that fulfils the aspirations of Israel and the Palestinians, including an end to occupation and conflict and a just and agreed solution to the plight of Palestinian refugees.

50. Given the dramatic developments in the region, progress on the Israeli-Palestinian track is of even greater urgency and would have an important positive impact on the region. It has been a year since the Security Council was presented with the Palestinian application for membership in the United Nations, and we are increasingly moving away from a two-State solution into a one-State reality, which would diminish the prospects of regional peace in the spirit of the Arab Peace Initiative. The continuing negative trends reported at present are further manifestations that this reality is consistently undermining our common goal of a negotiated two-State solution that will end the conflict and the occupation that started in 1967.

51. I am seriously concerned by the lack of progress during the reporting period in the search for a negotiated solution that would bring Israel and the Palestinians closer towards durable peace and security, including the realization of the legitimate aspiration of Palestinians to a State of their own and of Israel to live within recognized and secure borders. The failure of the parties to follow the steps outlined by the Quartet on 23 September 2011 is of grave concern. The outlines of an agreement have long been clear. What is important now is for the parties to engage seriously on substance. I call upon Israeli and Palestinian leaders to show vision, courage and determination to reach a historical peace agreement that would meet the legitimate aspirations of the people on both sides.

52. To this end, it is my sincere hope that the parties pursue vigorously all efforts to create an environment that is conducive to the resumption of direct and meaningful negotiations. In particular, I urge Israel to cease all settlement activity in the occupied West Bank, including East Jerusalem, and to take concrete steps to further ease the numerous restrictions in place both in the West Bank and Gaza. I also strongly encourage all Palestinians on the path of non-violence and unity in line with past PLO commitments. I call upon them to pursue their efforts to improve law and order and combat extremism and incitement against Israel, and to continue to build strong and democratic institutions, which are essential to a viable, independent Palestinian State. In a highly volatile environment, it is crucial that any outbreaks of violence that could undermine political efforts be prevented and that the parties refrain from provocative steps on the ground. The international community must also play its role by shaping a legitimate and balanced framework that offers a credible political path forward, combined with far-reaching steps on the ground. The international community should understand that its own efforts in pursuit of this goal will increasingly lack credibility if we continue to fail to take the steps necessary to enable an environment conducive to serious engagement.

53. As Secretary-General, I will continue to ensure that the United Nations works towards the establishment of an independent, democratic, contiguous and viable Palestinian State living side by side in peace with a secure Israel in the framework of a comprehensive regional settlement consistent with Security Council resolutions 242 (1967), 338 (1973), 1397 (2002), 1515 (2003) and 1860 (2009), and in accordance with the Quartet road map, the Arab Peace Initiative and the principle of land for peace.